Audit

Report

OFFICE OF THE INSPECTOR GENERAL

**USE OF FOREIGN MATERIEL
EXPLOITATION RESULTS**

Report No. 98-005   October 8, 1997

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Acronyms

NAVAIR	Naval Air Systems Command
PM-ITTS	Project Manager-Instrumentation, Targets, and Threat Simulators
TEMA	Test and Evaluation Management Agency

October 8, 1997

MEMORANDUM FOR ASSISTANT SECRETARY OF THE NAVY (FINANCIAL
MANAGEMENT AND COMPTROLLER)
ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL MANAGEMENT AND COMPTROLLER)
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: Audit Report on Use of Foreign Materiel Exploitation Results
(Report No. 98-005)

We are providing this audit report for information and use. We considered management comments on a draft of this report in preparing the final report.

Comments on the draft of this report conformed to the requirements of DoD Directive 7650.3 and left no unresolved issues. Therefore, no additional comments are required.

We appreciate the courtesies extended to the audit staff. Questions on the audit should be directed to Mr. Robert K. West, Audit Program Director, at (703) 604-9804 (DSN 664-9804) or Mr. Robert W. Otten, Audit Project Manager, at (703) 604-9815 (DSN 664-9815). See Appendix B for the report distribution. The audit team members are listed inside the back cover.

Robert J. Lieberman
Assistant Inspector General
for Auditing

Report No. 98-005   October 8, 1997
(Project No. 7AD-0006)

Use of Foreign Materiel Exploitation Results

Executive Summary

Introduction. Foreign materiel exploitation involves analysis, testing, and evaluation of foreign materiel, to include testing against U.S. equipment. Foreign materiel exploitation supports DoD acquisition programs, testing, threat simulator and target development, modeling and simulation, and training and tactics. For FY 1996, the Military Departments estimated that they spent about $117 million on foreign materiel exploitation projects.

Audit Objective. The audit objective was to evaluate the timeliness and effectiveness of the coordination, dissemination, and use of foreign materiel exploitation results. Specifically, we reviewed how the Military Departments used foreign materiel exploitation results for modifying simulators, for assisting in target development, and for training and tactics purposes. We also reviewed the management control program related to that objective.

Audit Results. The DoD Components' scientific and technical intelligence centers coordinated and disseminated foreign materiel exploitation results to the test and evaluation, simulator and target development, and training and tactics communities effectively and in a timely manner. However, the Military Departments did not always validate simulated threat systems used to support developmental and operational test and evaluation based on the latest foreign materiel exploitation data. As a result, threat models and simulators used to support developmental and operational test and evaluation may not accurately represent the real world threat. For details on the audit results, see Part I.

Summary of Recommendations. We recommend that the Navy develop a Navy-wide validation process and that the Air Force revise its validation guidance to include criteria for determining when to revalidate models and threat simulators.

Management Comments. The Navy concurred with the finding and recommendation and stated that it would develop a Navy-wide validation process. The Air Force nonconcurred on the basis that we did not recognize its ongoing effort to revise Air Force Instruction 16-1001, "Verification, Validation, and Accreditation," June 1, 1996, which Air Force officials believe meets the intent of our audit recommendation. See Part I for a discussion of the Navy and Air Force comments, and see Part III for the complete text of the comments.

Audit Response. The Navy and Air Force comments are fully responsive; therefore, additional comments are not required. We revised the final report to recognize the Air Force effort to revise Air Force Instruction 16-1001. The criteria for when to revalidate models and threat simulators were not in the Air Force draft instruction that we reviewed during the audit. However, the criteria were in an improved draft version of Air Force Instruction 16-1001 that the Air Force provided with its response to our draft audit report. The Air Force plans to publish the revised instruction by December 31, 1997.

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Part I - Audit Results

Audit Background

Foreign materiel exploitation involves analysis, testing, and evaluation of foreign materiel, to include testing against U.S. equipment. Foreign materiel exploitation supports DoD acquisition programs, testing, threat simulator and target development, modeling and simulation, and training and tactics. For FY 1996, the Military Departments estimated that they spent about $117 million on foreign materiel exploitation projects.

Audit Objective

The audit objective was to evaluate the timeliness and effectiveness of the coordination, dissemination, and use of foreign materiel exploitation results. Specifically, we reviewed how the Military Departments used foreign materiel exploitation results for modifying simulators, for assisting in target development, and for training and tactics purposes. We also reviewed the management control program related to that objective. Appendix A discusses our scope, methodology, and management control program review results. Appendix A also discusses a summary of prior coverage related to our audit objective.

Coordination and Dissemination of Exploitation Results

The DoD Components' scientific and technical intelligence centers coordinated and disseminated foreign materiel exploitation results to the test and evaluation, simulator and target development, and training and tactics communities effectively and in a timely manner.

Missile and Space Intelligence Center. The Missile and Space Intelligence Center coordinated and disseminated exploitation results efficiently and effectively by conducting symposiums, issuing electronic messages, issuing interim reports after each exploitation phase, and issuing final reports when foreign materiel exploitation was completed. The Missile and Space Intelligence Center disseminated those messages and reports throughout the exploitation process to the DoD Components.

Army. The National Ground Intelligence Center disseminated foreign materiel exploitation results on foreign ground systems and helicopters through written test and foreign materiel exploitation reports, electronic and magnetic media, data bases, photos, and videos. The Center also published a list of all foreign materiel exploitation reports issued by the Center and other organizations each

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quarter. Furthermore, the Center incorporated foreign materiel exploitation results into the Defense Intelligence Agency Intelligence Production Program. Specifically, the National Ground Intelligence Center assigned an intelligence analyst to every foreign system under the Center's executive agency. The analysts compiled information on foreign systems that the Center obtained through foreign materiel exploitation and other intelligence sources. The Center's analysts maintained and updated the data on foreign threat systems for the Defense Intelligence Agency and made that information available to all interested users without attributing the data to any specific source.

Navy. The Office of Naval Intelligence disseminated foreign materiel exploitation results through foreign materiel exploitation reports, through message traffic, and through the Defense Intelligence Agency Intelligence Production Program. The Office of Naval Intelligence also published an annual foreign materiel exploitation report. That report provides a description and status on all Navy foreign materiel exploitation projects.

Air Force. The National Air Intelligence Center coordinated and disseminated exploitation results effectively and efficiently through electronic messages, interim and final reports, and the Defense Intelligence Agency Intelligence Production Program. The Center also published a foreign materiel triennial status report and a weekly report on aerospace systems. Both reports include foreign materiel exploitation results. In addition, the Air Force Test and Evaluation Directorate, Foreign Materiel Office, had an ongoing initiative to involve contractors early in the exploitation process. Although the initiative pertained only to electronic warfare systems, the Air Force had plans to expand the program to other systems depending on the successes and lessons learned from that program. The Air Force shared the initiative with the Missile and Space Intelligence Center and the Military Departments. If successful, the Missile and Space Intelligence Center and the Military Departments could also use the concept in their exploitation process.

Validation of Simulated Threat Systems

The Military Departments did not always validate simulated threat systems used to support developmental and operational test and evaluation based on the latest foreign materiel exploitation data. However, the Army was taking action to improve its threat validation program by prioritizing threat validation requirements. The Navy did not develop a common Navy-wide validation and revalidation process for threat systems, and the Air Force did not have criteria on when to revalidate threat systems. As a result, threat models and simulators used to support developmental and operational test and evaluation may not accurately represent the real world threat.

DoD Model and Simulation Validation Policy and Procedures

DoD Validation Guidance. DoD Regulation 5000.2-R, "Mandatory Procedures for Major Defense Acquisition Programs (MDAPs) and Major Automated Information Systems (MAIS) Acquisition Programs," March 15, 1996, requires that each representation of a threat model or simulation be subjected to validation procedures. DoD Instruction 5000.61, "DoD Modeling and Simulation (M&S) Verification, Validation, and Accreditation (VV&A)," April 29, 1996, implements policy, assigns responsibility, and prescribes procedures for validation of DoD models and simulations. That instruction states that the DoD Components shall establish validation policies and procedures for models and simulations. The DoD Executive Council for Modeling and Simulations recommends DoD-wide modeling and simulation goals and objectives to the Under Secretary of Defense for Acquisition and Technology.

DoD Threat Simulator Program Plan. The DoD Threat Simulator Program Plan, February 1993, states that threat simulators that DoD Components use as test resources are subject to DoD approved validation procedures. The DoD Threat Systems Office is revising that plan to update threat validation responsibilities and policies and to extend the scope of the DoD threat validation program to include targets, digital models, and simulations. The DoD Threat Systems Office reviews DoD Components' validation reports for the DoD Threat Systems Validation Committee and provides independent oversight of and manages all activities related to the DoD threat systems program[*] for the Under Secretary of Defense for Acquisition and Technology. The Deputy Director, Defense Test, Systems Engineering, and Evaluation/Test Facility Resources, chairs the DoD Threat Systems Validation Committee. The Deputy Director, supported by the Committee, is responsible for approving DoD Components' validation reports.

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[*]The DoD threat systems program includes actual threat hardware, threat simulators, threat targets, threat models, and threat simulations.

Threat Validation. Validation is the process of determining the extent to which models and simulations accurately represent the real world from the perspective of the intended user. For test and evaluation users, threat validation is the identification, analysis, and documentation of the differences between models, simulators, and targets (simulated threat systems) and the threats that they represent so that differences can be factored into test planning, execution, and evaluation.

Threat Validation Responsibility. Each Service is responsible for threat validation of its own simulated threat systems and for preparing validation reports that document the differences between the simulated threat systems and the corresponding actual threats.

Test Accreditation. Test accreditation is the official certification that a simulated threat system is acceptable for use in a specific test. Threat validation results provide DoD developmental and operational test and evaluation users the information that they need to help make that determination.

Army Threat Validation

Army Threat Validation Guidance. Army Regulation 5-11, "Army Model and Simulation Management Program," June 10, 1992, establishes the Army Model and Simulation Management Program. That regulation also assigns responsibilities and prescribes policy and guidance for the execution of the program. The "U.S. Army Validation and Accreditation Plan for Threat Simulators and Targets," November 1993, lists specific Army threat validation and test accreditation procedures. The Army is revising that plan to reflect the experience gained through implementation of the threat validation process. The Army plans to publish the revised plan in July 1997 as part of Department of the Army Pamphlet 73-1, "Test and Evaluation in Support of System Acquisition."

Army Threat Validation Process. Validation working groups validate specific simulated threat systems. The Army Test and Evaluation Management Agency (TEMA) chairs Army validation working groups. Other members of validation working groups include the Army Operational Test and Evaluation Command; the appropriate Scientific and Technical Intelligence Center; the Project Manager-Instrumentation, Targets, and Threat Simulators (PM-ITTS); and the threat system developer. Other members may include representatives from the acquisition, research and development, and training communities, if needed. The validation working group prepares a validation report. TEMA then approves and submits the report to the Threat Systems Validation Committee through the DoD Threat Systems Office.

Army Threat Validation. The Army validated 9 of 13 simulated threat systems, listed in TEMA records, needed to support FYs 1995 through 1998 test and evaluation efforts. Foreign materiel exploitation data were available for 8 of the 13 systems before the systems were to be used to support test and

evaluation efforts. Of those eight systems for which foreign materiel exploitation results were available, the Army validated six of the systems and scheduled one of the systems for validation during FY 1998. Also, the Army validated three of the five systems for which foreign materiel exploitation data were not available.

Threat Validation Waivers. Army officials stated that TEMA waived threat validation requirements for some simulated threat systems because of time constraints or very limited requirements for use of the systems. Army officials also stated that in those situations, test accreditation could substitute for threat validation. Specifically, simulated threat systems cannot be used to support any developmental or operational test until the Army accredits the system. In accrediting a system for use in a test, a Threat Accreditation Working Group performs a limited validation of the system by comparing the characteristics of the simulated threat system to be observed or measured against the actual threat. Based on that comparison, the Threat Accreditation Working Group decides whether or not to accredit the simulated threat system for use in the test. Representatives from the acquisition, test and evaluation, training, and intelligence communities are members of the Threat Accreditation Working Group. Although test accreditation does not compare all of the simulated characteristics against the actual characteristics of the threat system, the Army maintains that developmental and operational test accreditation ensures that simulated threat conditions are very similar to real world threat conditions.

Threat Validation Priority. The Army was taking steps to improve its threat validation program by prioritizing its threat validation requirements. In a March 1997 memorandum to Headquarters, Army Materiel Command, PM-ITTS issued a prioritized list of the simulator validation needs of the Army. The Army assigned the first priority to threat simulators that the Army planned to use to support upcoming testing. The Army assigned the next priority to simulators that the Army may use to support testing. If a short-term testing requirement for a simulator occurs, the Army would accredit it for that specific test. The Army did not plan to validate simulators that it did not plan to use to support future developmental and operational testing.

Threat Validation Planning. In connection with that effort, PM-ITTS hosted a March 1997 validation planning meeting to review the status and priority of all simulators pending threat validation. Representatives from the Army Operational Test and Evaluation Command, PM-ITTS, and TEMA discussed upcoming threat validation schedules, validation reporting requirements, and foreign materiel exploitation requirements. The meeting participants established a goal to align planned validations with simulated threat systems developmental schedules. Because of the TEMA and PM-ITTS initiatives discussed above, we are not making any recommendations to the Army.

Navy Threat Validation

Navy Validation Guidance. Secretary of the Navy and Chief of Naval Operations guidance prescribes Navy validation policies and procedures. In addition, the Naval Air Systems Command (NAVAIR) has criteria for threat validation of systems under its control.

Secretary of the Navy Validation Guidance. Office of the Secretary of the Navy Instruction 5200.38, "Department of the Navy Modeling and Simulation Program," October 18, 1994, requires the Navy Modeling and Simulation Management Office to write and coordinate a common validation process for all Navy organizations.

Office of the Chief of Naval Operations Guidance. Office of the Chief of Naval Operations Instruction 3960.15, "Validation of Navy Air Defense Threat Simulators," May 6, 1991, assigns NAVAIR as the Chief of Naval Operations technical agent for Navy air defense threat validation and tasks NAVAIR to implement validation procedures.

NAVAIR Guidance. Commander, Naval Air Systems Command, Instruction 3960, "Validation of Navy Air Defense Threat Simulators," May 4, 1992, implements policy and assigns responsibilities for the validation of air defense simulators being developed or used for development and testing of airborne weapon systems or training of Navy aircrew personnel. Specifically, NAVAIR is responsible for the funding for the Naval Air Warfare Center Weapons Division, China Lake. The Naval Air Warfare Center established an independent simulator validation coordinator for NAVAIR simulator validation at all Navy laboratories and ranges. The Navy Air Defense Threat Simulator Validation Procedures Manual, March 1995, established the procedures to validate Navy air defense and air defense-related threat simulators used for test and evaluation and aircrew training.

NAVAIR Threat Systems Validation. NAVAIR did not validate all of its simulators. NAVAIR used and maintained 41 operational threat simulators at the Naval Air Warfare Center Weapons Division, China Lake. NAVAIR validated 11 of the 41 simulators and scheduled 4 simulators for validation in FY 1998. New foreign materiel exploitation data received after the validation of 2 of the 11 systems showed that those 2 systems no longer represent the current threat. However, NAVAIR started to update one of the two systems, which will be completed in FY 1998.

Navy Threat Validation Process. The Navy did not have a standard policy for validation of Navy models and simulators because the Navy Modeling and Simulation Management Office did not develop a common Navy-wide validation process as Office of the Secretary of the Navy Instruction 5200.38, "Department of the Navy Modeling and Simulation Program," October 18, 1994, requires. As a result, Navy organizations validate models and simulators differently. That practice could result in Navy threat simulators not representing the most current threat capabilities and characteristics of foreign materiel acquired and exploited.

Mine and Torpedo Simulator Validation. The Naval Undersea Warfare Center and the Naval Coastal Systems Station did not develop procedures for foreign mine and torpedo simulator validation. Without validation procedures, the potential exists that mine and torpedo simulators may not represent the most current capabilities and characteristics of the foreign materiel acquired and exploited. That situation could impact the program manager's ability to make sound milestone decisions in support of acquisition programs and in the development of tactics and countermeasures.

Air Force Threat Validation

Air Force Validation Guidance. Air Force Instruction 16-1001, "Verification, Validation, and Accreditation," June 1, 1996, establishes policy, procedures, and responsibilities for the validation of Air Force owned or managed models and simulations. In addition, the Air Force was drafting an attachment to that instruction to specifically address target, threat simulator, and threat models and simulations and verification, validation, and accreditation for test and evaluation. Although the instruction states that validation will be a continuous process throughout the model and simulation life cycle, neither the instruction nor the draft attachment provided criteria for determining when the Air Force should revalidate models and threat simulators. We expressed our concerns to officials from the Simulation Validation Office, National Air Intelligence Center, and the Chief, Air Force Modeling, Simulation, and Analysis (Policy and Standards Division), and those officials agreed with our position. After completion of our audit field work, the Air Force had included the criteria in a revised draft of Air Force Instruction 16-1001. The Air Force planned to publish the revised instruction by December 31, 1997.

Air Force Threat Validation Process. The Simulation Validation Office, National Air Intelligence Center, performs threat simulator validations and prepares validation reports that it submits to the Crossbow Committee through the DoD Threat Systems Office.

Air Force Threat Validation. Air Force test and range personnel stated that the Air Force generally revalidated threat system simulators when the simulator developer or other users changed or modified the system. Users of threat system simulators need to be aware of the differences between simulator performance and the current threat system capability to determine whether the threat simulator can meet the test requirements. The Air Force should also revalidate fielded simulators used to support test and evaluation when new threat data become available.

Recommendations, Management Comments, and Audit Response

1. We recommend that the Director, Navy Modeling and Simulation Management Office, develop a Navy-wide validation process for all Navy organizations in accordance with the Office of the Secretary of the Navy Instruction 5200.38, "Department of the Navy Modeling and Simulation Program," October 18, 1994.

Navy Comments. The Navy concurred with the finding and recommendation and stated that it would develop a Navy-wide validation process in accordance with the Office of the Secretary of the Navy Instruction 5200.38.

2. We recommend that the Chief, Air Force Modeling, Simulation, and Analysis (Policy and Standards Division), Directorate of Command and Control, revise Air Force Instruction 16-1001, "Verification, Validation, and Accreditation," June 1, 1996, to include criteria for determining when to revalidate models and threat simulators. The criteria should include changes in threat data and changes or modifications to threat system simulators.

Air Force Comments. The Air Force nonconcurred with our finding and stated that we did not recognize the ongoing effort of the Air Force to revise Air Force Instruction 16-1001. The Air Force stated that it was concluding a 7-month effort to revise the Air Force instruction, which would include the recommended criteria. The Air Force planned to publish the revised instruction by December 31, 1997.

Audit Response. The Air Force comments are fully responsive; therefore, no additional comments are required. We revised the final report to recognize the Air Force effort to revise Air Force Instruction 16-1001. The criteria for determining when to revalidate models and threat simulators were not in the draft instruction that we reviewed during the audit. However, the criteria were included in the draft version that the Air Force provided us with its comments to this report.

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Part II - Additional Information

Appendix A. Audit Process

Scope and Methodology

This program audit was conducted from October 1996 through May 1997 in accordance with auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD. Accordingly, we included tests of management controls considered necessary. The scope of our review covered the Office of the Secretary of Defense, the Military Departments, the Defense Modeling and Simulation Office, the Defense Intelligence Agency, and DoD contractors. We interviewed cognizant DoD, Military Department, Defense Intelligence Agency, and contractor officials. We reviewed and evaluated documentation dated from November 1993 through May 1997. We did not use computer-processed data or statistical sampling procedures for this audit.

We visited or contacted individuals and organizations within the DoD and Army, Navy, and Air Force foreign materiel exploitation contractors. Further details are available on request.

Management Control Program

DoD Directive 5010.38, "Management Control (MC) Program," August 26, 1996, requires that DoD organizations implement a comprehensive system of management controls that provides reasonable assurance that programs are operating as intended and to evaluate the adequacy of the controls.

Scope of Review of Management Control Program. We reviewed the adequacy of DoD Components' management controls over the timeliness and effectiveness of the coordination, dissemination, and use of foreign materiel exploitation results. Because we did not identify any material management control weaknesses, we did not assess management's self-evaluation.

Adequacy of Management Controls. The DoD Components' management controls over the coordination, dissemination, and use of foreign materiel exploitation results were adequate; we identified no material management control weaknesses. We did not consider the Military Departments' threat validation issues to be material management control weaknesses.

Summary of Prior Coverage

Office of the Inspector General, DoD, Audit Report No. 97-133, "Acquisition and Exploitation of Foreign Materiel by DoD Components," April 21, 1997, identifies several positive developments within the Foreign Materiel Program. The Office of the Secretary of Defense, the Defense Agencies, and the Military Departments were developing new foreign materiel acquisition process procedures to improve competition when awarding foreign materiel acquisition contracts. In addition, the DoD Components solicited exploitation requirements from DoD customers for incorporation into exploitation plans. However, the report also points out issues that the DoD Components must address to ensure a more efficient and effective foreign materiel program. Those issues included enhancements to the foreign materiel acquisition process, support of test and evaluation requirements, and development of a complete and accurate foreign materiel inventory data base.

Appendix B. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition and Technology
    Director, Defense Test, Systems Engineering, and Evaluation
      Deputy Director, Test Facility Resources
    Director, Defense Logistics Studies Information Exchange
    Director, Defense Modeling and Simulation Office
Under Secretary of Defense (Comptroller)
    Deputy Chief Financial Officer
    Deputy Comptroller (Program/Budget)
Assistant Secretary of Defense (Command, Control, Communications, and Intelligence)
    Deputy Assistant Secretary of Defense (Intelligence and Security)
      Director, Office for Oversight and Special Technology
Assistant Secretary of Defense (Public Affairs)
Director, Operational Test and Evaluation

Department of the Army

Commander, Army Materiel Command
    Commander, Simulation, Training, and Instrumentation Command
      Project Manager-Instrumentation, Targets, and Threat Simulators
        Director, Targets Management Office
        Director, Threat Simulator Management Office
Assistant Secretary of the Army (Financial Management and Comptroller)
Assistant Secretary of the Army (Research, Development, and Acquisition)
Deputy Chief of Staff for Intelligence
Auditor General, Department of the Army
Commander, Army Operational Test and Evaluation Command
Commander, Army Intelligence and Security Command
    Commander, National Ground Intelligence Center
Director, Army Test and Evaluation Management Agency
Director, Army Modeling and Simulation Office

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Assistant Secretary of the Air Force (Financial Management and Comptroller)
Auditor General, Department of the Air Force
Director, Air Force Test and Evaluation Directorate
    Chief, Foreign Materiel Office
Director, Command and Control Directorate
    Chief, Air Force Modeling, Simulation, and Analysis (Policy and Standards
        Division)
Commander, National Air Intelligence Center

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Director, Defense Logistics Agency
Director, Defense Intelligence Agency
    Director, Missile and Space Intelligence Center
        Director, Threat Systems Office
    Inspector General, Defense Intelligence Agency
Director, National Security Agency
    Inspector General, National Security Agency

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Senate Subcommittee on Defense, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
Senate Select Committee on Intelligence
House Committee on Appropriations
House Subcommittee on National Security, Committee on Appropriations
House Committee on Government Reform and Oversight
House Subcommittee on Government Management, Information, and Technology, Committee on Government Reform and Oversight
House Subcommittee on National Security, International Affairs, and Criminal Justice, Committee on Government Reform and Oversight
House Committee on National Security
House Permanent Select Committee on Intelligence

Part III - Management Comments

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Department of the Navy Comments

DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
2000 NAVY PENTAGON
WASHINGTON. D.C. 20350-2000

IN REPLY REFER TO

3800
Ser N2/7U550764
10 Sep 97

From: Chief of Naval Operations (N2)
To: Inspector General, Department of Defense

Subj: AUDIT REPORT ON USE OF FOREIGN MATERIEL EXPLOITATION
RESULTS (PROJECT NUMBER 7AD-0006)

Ref: (a) DODIG Memo of 30 Jun 97
(b) SECNAVINST 5200.38

1. In response to reference (a), concur with the findings and recommendations of the subject audit.

2. The Chief of Naval Operations (N2) and the Intelligence Directorate of the Office of Naval Intelligence (ONI-2) will assist the Director, Navy Modeling and Simulation Management Office in the development of the Navy-wide validation process, in accordance with reference (b).

P. M. LOWELL
Director of Naval Intelligence
Acting

Copy to:
ASN (FMC)
ONI

Department of the Air Force Comments

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON DC

SEP 2 1997

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING
OFFICE OF THE INSPECTOR GENERAL
DEPARTMENT OF DEFENSE

FROM: AF/XOC
1480 Air Force Pentagon
Washington, DC 20330-1480

SUBJECT: Audit Report on Use of Foreign Material Exploitation Results (Project
No. 7AD-006)

This is in reply to your memorandum requesting the Assistant Secretary of
the Air Force (Financial Management and Comptroller) to provide comments on the
cited report. Your acknowledgment of the Air Force initiative to partner with the
electronic countermeasures vendor community is noteworthy and will aid in
accelerating DoD-wide acceptance.

We non concur with the draft report as written because the second finding
(page 9) does not take into account our current efforts to address this problem.
Although not yet published, the Air Force is concluding a seven month effort to
revise Air Force Instruction (AFI) 16-1001 in which the criteria you suggest has
already been developed. Attached is a copy of the draft AFI, and the Air Force can
provide you a finalized copy once it is coordinated and published by the end of the
calendar year.

Questions should be addressed to Mr Raymond Miller, HQ USAF/XOCP, at
commercial (202) 761-5341, ext 102 or DSN 763-5341, ext 102.

JAMES E. SANDSTROM, Brig Gen, USAF
Director, Command and Control
DCS, Plans and Operations

Attachment:
AFI 16-1001 (Draft) *

*Omitted because of length. Copies will be provided upon request.

Audit Team Members

The Acquisition Management Directorate, Office of the Assistant Inspector General for Auditing, DoD, produced this report.

Patricia A. Brannin
Robert K. West
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Jerel L. Silver
Kenneth M. Teore
Martin I. Gordon
Marvin E. Tuxhorn

INTERNET DOCUMENT INFORMATION FORM

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B. DATE Report Downloaded From the Internet: 10/07/99

C. Report's Point of Contact: (Name, Organization, Address, Office Symbol, & Ph #): OAIG-AUD (ATTN: AFTS Audit Suggestions)
Inspector General, Department of Defense
400 Army Navy Drive (Room 801)
Arlington, VA 22202-2884

D. Currently Applicable Classification Level: Unclassified

E. Distribution Statement A: Approved for Public Release

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